

Introduction

LOOK AROUND INDIANAPOLIS

History

The City of Indianapolis has a population of more than 863,000, making it the 12th largest city in the United States. On December 11, 1816 the U.S. Congress granted statehood to Indiana pursuant to the fulfillment of five provisions. One of the provisions granted four sections of land (2,560 acres) for the establishment of a state capital with the condition that the location be decided prior to the public sale of federal lands surrounding the new capital. In an act on January 6, 1821 the legislature approved the location of the new capital and provided for three commissioners to survey and plat the town. Section 21 of the Act makes the town the permanent seat of government and notes that the town "shall be called and known by the name of Indianapolis."¹

Alexander Ralston and Elias Pym Fordham developed the initial plan for Indianapolis. Ralston, after immigrating to America from Great Britain, assisted in the mapping of Washington, D.C. After relocating to Louisville, Kentucky, Ralston was hired by Aaron Burr to survey western lands.² Ralston resided from 1818 to 1820 in Harrison County, Indiana where he met Judge Christopher Harrison. Elias Fordham was an English trained civil engineer, and immigrated to America in 1817. While in Salem, Indiana, Fordham stayed with Judge Christopher Harrison.

The selected site for the new capital was along the White River in central Indiana. For the plat of Indianapolis, Ralston advanced the idea of a "Mile Square" taking cues from Pierre L'Enfant's plan for Washington, D.C. and other European cities. The "Mile Square" is now the heart of downtown. Indianapolis is "distinguished by diagonal arteries...connecting the corners of a mile square gridiron with four centrally located blocks."³ Today Indianapolis is a modern city with diverse neighborhoods, rich cultural traditions, and a strong business economy. Indianapolis is a rich tapestry of traditions, cultures, and heritage. The city's diverse neighborhoods support and encourage families, individuals and children while ensuring economic and residential development. Indianapolis' neighborhoods are differentiated by "distinctions of urban geography, both natural and man-made."⁴

¹ "The Indianapolis Donation." Indianapolis Donation Database. Indiana Commission on Public Records State Archives Division. ONLINE < <http://www.state.in.us/icpr/webfile/donation/donindex.html>>. Accessed on July 22, 2002.

² Vanderstel, Sheryl D. "Alexander Ralston." The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1164.

³ Schurch, Thomas W. "Mile Square." The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1008.

⁴ Hulse, Lamont J. "Neighborhoods and Communities." The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 132.

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Arts and Culture

Arts and culture are essential components of Indianapolis communities. They improve the quality of life and are integral components in Indianapolis' role as a modern metropolis. Arts and culture in Indianapolis denotes any experience that portrays greater Indianapolis; its people, diversity, and character. Indianapolis is brimming with traditional and innovative arts and culture attractions.

Established in 1883, the Indianapolis Museum of Art is both an art museum and a 152-acre botanical garden. The permanent collection includes neo-Impressionist art, Chinese art, and African art. The Eiteljorg Museum is one of just two museums east of the Mississippi that feature both American Indian and Western art. Indianapolis is also the home of the world's largest Children's Museum. The museum's collection includes a prehistoric gallery, a steam-engine exhibit, a model train gallery, an outdoor garden gallery, and a 130-seat planetarium.

White River State Park, located downtown, is the state's first metropolitan state park. The Indianapolis Zoo is located in the park and houses 4,000 animals in simulated natural habitats. Next to the zoo is the White River Gardens, which includes a glass-enclosed conservatory, outdoor gardens, a water garden, and 1.5 miles of winding paths and walkways. Also located in the park are the IMAX 3-D theater, the National Institute for Fitness and Sport, the NCAA headquarters and Hall of Champions, and the new Indiana State Museum. Opened on May 22, 2002, the new state museum tells the state's story in high-tech, highly interactive exhibits that chronicle Indiana's past, present and future. The museum, made possible by a combination of public and private funding, explores Indiana's art, science, and culture.

Another cultural attraction is the Soldiers and Sailors Monument, the centerpiece of Monument Circle, located at the center of Ralston's "Mile Square" plat. The monument memorializes the lives and dedication of Indiana's Civil War veterans. The monument was originally designed by Bruno Schmitz of Germany and completed by Rudolf Schwarz of Austria. Schmitz's design was of "terraced steps, foundations, pools, an obelisk shaft, and an abundance of statuary,"⁵ including the crowning figure of *Victory*. This design was executed between 1888 and 1902 and stands 284 feet, 6 inches high. Every year during the holiday season, the monument is transformed into the world's largest Christmas tree.

⁵ Gadski, Mary Ellen, et al. "Soldiers and Sailors Monument." The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1278.

Introduction**Business**

Indianapolis is a hub of road, rail, and air transportation. The City of Indianapolis epitomizes the state logo, "Crossroads of America," with more intersecting segments of interstate highway than any other metropolitan area. Many companies call Indianapolis home, including the world's tenth largest drug manufacturer, Eli Lilly and Company. Lilly is entering the sixth year of a ten-year expansion, creating 7,500 new jobs and investing more than \$1 billion in capital. In addition, other locally based companies have situated their corporate headquarters in Indianapolis, including Mays Chemical Co., Simon Property Group, Emmis Communications, and WellPoint.

The Central Indiana Life Sciences Initiative, BioCrossroads, continues to serve as an engine for the Indianapolis economy. Both City leaders and private citizens worked together to found the initiative. The effort involves building on a multitude of extraordinary regional assets - corporate, government, and academia - to be a world leader in research, development, and commercialization in the life sciences. Through BioCrossroads, academic institutions and businesses are collaborating to start companies and draw investment to Indiana.

Transportation is another important sector in Indianapolis' economy. The Indianapolis International Airport in 2003 – the last year for which statistics are available – routed 7.3 million passengers, both domestic and international, through its gates. The airport is served by 10 major and 10 national passenger airlines with an estimated 280 daily departures to an average of 38 non-stop destinations. Additionally, the airport handled 980,694 tons of mail and freight in 2003. To meet increasing demand, the Indianapolis International Airport is constructing a new midfield terminal. The midfield terminal will provide an air travel gateway for the "The Crossroads of America." Its modern design invokes the feelings of Monument Circle and will increase both environmental and functional efficiency.

Indianapolis consistently ranks among the best places in the country to start and grow a business and among the best places to live. The City's efforts to grow, attract, and retain new and existing business has garnered attention. *Site Selection* magazine rated Indianapolis as the 7th most active metropolitan city for economic development activity in 2003.

Introduction**Sports**

Indianapolis has also made a name for itself in the world of sports. It boasts several major-league teams; the NBA's Indiana Pacers, the NFL's Indianapolis Colts, and the WNBA's Indiana Fever. Additionally, the RCA Tennis Championship is hosted annually at the Indianapolis Tennis Center.

Indianapolis is home to several minor-league teams. Baseball's Indianapolis Indians, a farm team for the Pittsburgh Pirates, play at Victory Field, one of the most attractive downtown ballparks in the country. Indianapolis is well known for the "Greatest Spectacle in Racing," the Indianapolis 500. Since 1957, the 500 Festival, a huge celebration that includes concerts, a half-marathon, and the nation's second-longest parade, has preceded the race. Since 1994, the track has also hosted the Allstate 400 at the Brickyard, a stock car race. In 2000, the United States Grand Prix held its inaugural race at the Motor Speedway on a newly constructed 2.606-mile road course.

Indianapolis is famous for amateur sports, so much so that the city has been dubbed the "Amateur Sports Capital of the World." Amateur sports organizations—for gymnastics, diving, track, and others—have been settling here in increasing numbers. The headquarters of the National Collegiate Athletic Association moved to Indianapolis at the end of 1999. Indianapolis has hosted numerous amateur sports events - most memorably the World Police and Fire Games in 2001 and the Pan American Games in 1987. The city has also been fortunate to host the Men's NCAA Final Four in 1980, 1991, 1997, and 2000. The tournament returns to Indianapolis in 2006 and 2010. In 2002 the city hosted both the men and women's Big 10 Basketball tournaments, and the World Basketball Championships.

The city of Indianapolis is known for its sports facilities including: the RCA Dome, Conseco Fieldhouse, Victory Field, the Indianapolis Sports Center (tennis), the Indiana University Natatorium and Track and Field Stadium, the Indiana World Skating Academy and the Major Taylor Velodrome.

Introduction**Conclusion**

From the City's "signature" structure, the Soldiers and Sailors Monument, radiating outward, there is a recognizable transition to the opportunities of the 21st Century. The quality of life is high and the promise of tomorrow is palpable. Indianapolis' diverse neighborhoods, rich cultural traditions, and solid economic footing embody a civic purpose that is always looking to advance.

Introduction**INDIANAPOLIS GOVERNMENT****Unigov/Indianapolis Works**

Indianapolis and Marion County have been consolidated under a unified governmental structure since January 1, 1970. This structure, known as Unigov, combines city and county legislatures and provides a single countywide chief executive. When Unigov was created 35 years ago, it was a visionary, yet incomplete plan. Where Unigov consolidated government, it was – and it remains – remarkably successful. But some of the areas of local government it did not touch are in crisis today. To that end, Mayor Peterson introduced his Indianapolis Works proposal in August 2004; a series of amendments to the Unigov statute making a smarter, smaller government. In the 2005 session of the General Assembly, the Mayor was given authorization to merge the Indianapolis Police Department and the Marion County Sheriff's Department with approval of the City-County Council, and he was given the power to draft the county budget. For the first time in history, there will be one budget for the Consolidated City of Indianapolis and Marion County.

Introduction**THE INDIANAPOLIS CITY/COUNTY BUDGET**

Beginning in April, all department heads and heads of county agencies, along with the Offices of the Mayor and the Office of Finance and Management, develop budgets for the next calendar year for divisions within their departments. State statute and Council ordinance require the City and County to adopt annual balanced budgets—that is, revenues plus fund balances must equal or exceed appropriations. The major classification of appropriations is the character level, which corresponds to the Governmental Accounting Standards Board definition of object. The characters of expense are personal services, supplies, other goods and services, properties and equipment, and internal charges. Operating appropriations lapse at year-end unless they are encumbered. A purchase order is recognized as an encumbrance against available appropriations. Total appropriations for capital projects funded by bond issues are set within the bond resolution and do not expire at year-end.

Every July, the City Controller prepares budget ordinances that are introduced by the Mayor to the City-County Council at the first meeting in August. The Controller adds the June 30 cash and investment balance to the estimated second-half revenues; this amount is reduced by the remaining appropriations and the additional anticipated appropriations to arrive at the current year end projected budgetary fund balance. This balance, along with the estimated miscellaneous revenues, is reduced by the budgeted appropriations to arrive at the amount to be funded by property taxes. This amount must be less than the maximum levy unless an appeal to the Department of Local Government Finance is successful. In November of 2003, the Indiana General Assembly passed SEA 1 - 2003, which changed the calculation for the maximum levies of local units of government. Beginning in 2004, the maximum levy is based on the previous year's actual levy plus a growth factor. This change removes the previously unused portion of maximum levies and eliminates any "banking" of unused authority in the future. These ordinances are assigned to the appropriate Council Committee, which conducts public hearings during August and September. Prior to the last Council meeting in September, the budget levy is advertised twice in two newspapers. The Council may not pass a budget above the levy advertised.

The Department of Local Government Finance reviews the budget before certifying the levy; a levy above the limits may be granted if the excess levy meets the state law requirements. The Department of Local Government Finance is required to certify the levies, tax rates and budgets by February 15. During the year, the City-County Council may amend appropriations upon request by the Office of Finance and Management to transfer unencumbered appropriations from one character to another in the same fund. Additional appropriations requests are submitted to the Office of Finance and Management to determine if sufficient additional revenues or fund balance is available. The Department of Local Government Finance must approve any request supported by property tax revenues or Motor Vehicle Highway moneys. These situations require advertisement to notify the public. Non-ordinance budget transfers occur as needed. Budgets are controlled at different levels depending on what departments want. For example, the Animal Care and Control division's budget is controlled at the *object* level. Thus, when there is insufficient money available within a particular object of the Animal Care and Control division's budget, the division must request a transfer from another object before they can process a purchase order or direct payment from their budget. For budgets involving federal funds, the budget is usually controlled at the *grant* level, while capital funds are sometimes controlled at the *project* level. Most departments' regular operating budgets are controlled at the *character* level.

After the close of the year, independent public accountants perform an audit. The Report of Independent Accountants stated that the financial statements for the City of Indianapolis, Indiana at December 31, 2003 showed fairly, in all material respects that the financial position of the City, the results of operations, and the changes in financial position were in conformity with generally accepted accounting principles (GAAP).

Comparison of the budget with the annual financial report may be misleading, as the budget is prepared on the cash basis while the annual financial report is prepared on the modified accrual basis.

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Fund Structure

Due to the overlapping geographic boundaries of several service districts and the budgetary fund structure required by state law, the fund structure in Indianapolis is not typical of most cities. The City and County maintain a chart of accounts to comply with GAAP for financial reporting purposes, but prepares the operating budget in accordance with state laws, not GAAP. Certain funds are excluded from budgets by state laws—Trust and Agency, as well as Special Assessment Funds.

The *General Fund* in Consolidated City of Indianapolis and Marion County are comprised of funds that are identified by the geographic boundary of a service district and contain budget data not required to be accounted for in another fund:

County General	Fire Special Service District
Consolidated County	Maintenance Operations General
Park General	Police Special Service District
Redevelopment General	Sanitation General
Solid Waste Collection	Solid Waste Disposal
Transportation General	
Storm Water Management	

Special Revenue Funds are restricted for use by federal or state government or they are special-purpose funds established by Council authority. Certain special revenue funds may be excluded from budgets by state provisions. The major ones budgeted by the City and County include:

Federal Grants	Federal Law Enforcement Fund
State Grants	State Law Enforcement Fund
Parking Meters	Marion County Emergency Communications
Property Reassessment	Law Enforcement
Surveyor's Perpetuation Fund	County Records Perpetuation
Auditor's Endorsement Fee	Home Detention
Juvenile Probation	Information services
Deferral Program	Probation

Debt Service Funds are budgeted for payment of General Obligation Bond principal and interest. These include:

Civil City Sinking	Park Sinking
Sanitary Sinking	Metropolitan Thoroughfare Sinking
Redevelopment Sinking	

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Capital Project Funds account for the construction, acquisition, or maintenance of major fixed assets. They include City Cumulative Capital Development and County Cumulative Capital Development funds.

Pension Trust Funds are disbursed by the City in its fiduciary capacity to cover employees. They include Fire Pension and Police Pension funds.

2006 Budget Calendar

April 25-May 6	First round of meetings with departments to review budgets
May 16-27	Second Round of meetings with departments to review budgets
July 1	June 30 closing of FAMIS (the city's accounting system)
June 27-July 1	Final meetings w/departments and Controller, as needed
July 27	Final budget narratives and numbers due, based on negotiations held the previous week
Aug. 8	Budget is introduced to Council
Aug. to Sept.	Council committee hearings on budget
Aug. 29	Public Hearing on Budget
Sept. 19	Council votes on final Budget
1 st week of Oct.	Department of Local Government Finance reviews the Budget
Feb. 2006	Department of Local Government Finance approves final Budget

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Under the Mayor's direction, the City Controller prepares and establishes guidelines for the consolidated city's annual budget. Throughout the budget, city and county departments highlight their individual accomplishments and take into account how their goals coincide with the administration's established initiatives. The Office of Finance and Management issues budget guidelines to the departments through the Chief Financial Officer (CFO), who develops individual departmental budgets. The City Controller coordinates all activities regarding budget and policy analysis for presentation to the City-County Council.

The Office of Finance and Management prepared this document. The format is based on recommendations from the Government Finance Officers Association, which recognizes a budget as a policy tool, an operations guide, a financial plan, and a communications medium. The budget document is also intended to promote an understanding of local government and the services it provides to our citizens.

The Office of Finance and Management extends appreciation to its staff and the staff of City Departments that contributed to the preparation of this document.

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